

## **The complaint**

Mr R complains that he was unable to open a savings account with Chetwood Financial Limited, trading as SmartSave, because it was unable to verify the account, costing him interest.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them here. Instead I'll focus on the reasons for my decision.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I realise this will come as a disappointment to Mr R but having done so I won't be asking SmartSave to do anything further. I agree with the conclusions reached by the investigator for the following reasons:

Mr R tried to open a SmartSave savings account. During the application process SmartSave went through a digital process to verify Mr R's identity. The outcome was that SmartSave was unable to verify the details of Mr R's nominated current account.

Financial companies must verify information provided by customers and potential customers to confirm their identity and protect both the company and the customer against fraud. Companies will have their own processes for verifying customer information. SmartSave has explained and evidenced to this service the process it went through with Mr R's account as it also did in the final response letter to Mr R. In summary it said its verification process is carried out online and relies on accurate information about a customer's bank account being given to credit reference agencies (CRAs). This is also explained on SmartSave's website in the 'frequently asked questions' section. I draw Mr R's attention to the following paragraphs on the website:

*"Although some companies offer alternative ways of verifying details, such as bank statements, we've made the conscious choice to continue verifying our customer's details 100% online. This helps us keep costs low so that we can offer the best rates for our customers.*

*This also means, however, that if your bank account hasn't been shared with CRAs just yet, we won't be able to verify your details online successfully. This issue impacts a number of different bank accounts, partly because the industry standard for current account details to be shared with CRAs was only introduced in 1998... If you're a new customer attempting to open a SmartSave account, it means we won't be able to help you with a savings account.*

*However, this issue can sometimes be resolved by speaking to your bank directly and giving your consent for them to share your bank account information with CRAs.*

*It can take approximately eight weeks for your bank account to show on your credit file, so we recommend waiting for at least this length of time before trying again.”*

I can see from the evidence provided by SmartSave that it made attempts to verify the account. I can see that the checks failed due to the mismatch of an address. This is not to say that any fault lies with Mr R but simply that the verification failed because of a mismatch of information. As SmartSave has indicated on its website such an issue can be resolved sometimes if the customer speaks directly to the bank. So I'm satisfied it hasn't acted unfairly by not continuing with the application and I won't be asking it to do anything further.

Mr R has provided several quotes from review websites indicating other customers may have experienced the same issue with SmartSave. He has said this has happened to lots of customers and that the ombudsman is biased in favour of the business.

Our role at the ombudsman service is to resolve individual disputes between businesses and consumers. And I have done so taking an objective account of the evidence presented to me. We have the power to get things put right in the *individual* cases referred to us if we decide a business has got it wrong and a consumer has lost out as a result. We don't have the power to tell a bank how it should treat all consumers and I'm unable to comment on other customers' experiences. We have no regulatory or disciplinary role over a business. So I'm not able to require it to change the way it conducts its business or tell it how to develop internal policies. That's a matter for the regulator, the Financial Conduct Authority (FCA).

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 1 May 2024.

Maxine Sutton  
**Ombudsman**